

MOTION BY SUPERVISOR GLORIA MOLINA
AND ZEV YAROSLAVSKY

July 27, 2010

DHS is projecting a significant budget deficit of \$389 million in Fiscal Year 2010-11. Due to other pending items included in the DHS Fiscal Outlook, the deficit could be as high as \$429 million. In order to address this deficit without substantially cutting services, DHS is pursuing three revenue sources: the 1115 Medicaid waiver with the 150% Upper Payment Limit language; six month extension of the temporary Federal Matching Assistance Percentage (FMAP), and; the Hospital Provider Fee. D H S currently provides primary, specialty, inpatient and emergency care services to approximately 730,000 patients per year. There is no question that DHS will have to significantly curtail services to these patients if they are unsuccessful in their efforts to secure some or all of these revenue solutions. Currently, DHS estimates that without these solutions, we will have no choice but to shrink our health care system by up to 128,000 inpatient days and 75,000 emergency visits. In addition, a reduction would be required in DHS and PPP ambulatory care visits ranging from 400,000 to 1.8 million

MOTION

Ridley-Thomas _____

Yaroslavsky _____

Knabe _____

Antonovich _____

Molina _____

visits. Therefore, overall, the current patient population of 730,000 would have to be reduced by up to 420,000 patients that we could serve.

These service reductions will have a serious and immediate impact on our high-need, chronically ill patients. The cuts will also significantly limit our ability to transform our health care delivery system and implement health care reform in the near future. At a time when we should be preparing for health care reform by shifting our focus to primary, specialty and ambulatory care services, we will instead cut these services significantly and push more and more of these patients into our emergency rooms.

Our State and Federal partners must be made aware of the devastating impact that this will have on our health care system. Especially important is our ability assure approval of the 1115 Medicaid waiver, including the 150% Upper Payment Limit, by the August 31 deadline. Should the federal and state governments fail to help Los Angeles County obtain essential revenue streams through the waiver, Provider Fee and FMAP extension, then this board must be prepared to implement these cuts.

WE, THEREFORE, DIRECT the CEO and DHS to provide a detailed analysis of what specific cuts must be made to our health care system if the aforementioned revenue options fail to materialize, and report back in 15 days. This should include any and all cuts and reductions to inpatient, PPP, specialty and ambulatory care services Countywide, in order to balance DHS's operating budget in 2010-11.